



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Waiving \$10,500 Reimbursement from Lodi-Tokay Rotary for Costs Incurred by the City During the Oooh Ahhh Festival and Approving Special Allocation from the Fund Balance to Cover Unbudgeted Overtime Costs and 2) Discussion and Appropriate Action Regarding Restructuring the Agreement between the City of Lodi and the Lodi-Tokay Rotary for the Production of the July 4, 2005, Oooh Ahhh Festival

MEETING DATE: September 1, 2004

PREPARED BY: Management Analyst, City Manager's Office

RECOMMENDED ACTION: Adopt resolution waiving \$10,500 reimbursement from Lodi-Tokay Rotary for costs incurred by the City during the Oooh Ahhh Festival and approving special allocation from the Fund Balance to cover unbudgeted overtime costs and 2) discussion and appropriate action regarding restructuring the agreement between the City of Lodi and the Lodi-Tokay Rotary for the production of the July 4, 2005, Oooh Ahhh Festival.

BACKGROUND INFORMATION: On April 7, 2004, the City Council authorized the City Manager to execute a contract with the Lodi-Tokay Rotary Club for the 2004 Oooh Ahhh Festival (Exhibit A). The contract authorized use of Lodi Lake Park by the Club for July 4, 2004; granted \$18,000 (Exhibit B) for the purchase of the pyrotechnic fireworks display; and specified that the Club will reimburse the City, in part, for the cost of services provided (\$10,500). Accordingly, appropriations in overtime allowances were reduced in various departments during the budget process in order to reflect this agreement.

Analysis of the Profit and Loss statement (Exhibit C) submitted by the Club, however, reflects revenues significantly lower than anticipated. In a meeting with Interim City Manager Keeter and as stated in a letter (Exhibit D) from Club President Flemmer, the Club requests that the City waive the \$10,500 commitment.

The City Council is asked to waive this reimbursement, approve a special allocation from Fund Balance to cover the unbudgeted overtime costs, and discuss a restructuring of the agreement with the Lodi-Tokay Rotary Club for the production of the July 4th 2005 Oooh Ahhh Festival.

FUNDING: \$10,500 Fund Balance

James R. Krueger, Finance Director

Attachments

cc: Lodi-Tokay Rotary

Janet L. Hamilton
Management Analyst

APPROVED:

Janet S. Keeter, Interim City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute a Contract With the Lodi-Tokay Rotary Club for the 13th Annual Oooh Ahhh Festival to be Held on July 4, 2004 (\$18,000)

MEETING DATE: April 7, 2004

PREPARED BY: Janet L. Hamilton, Management Analyst

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to execute a contract (Exhibit A) with the Lodi-Tokay Rotary Club for the 13th Annual Oooh Ahhh Festival to be held on July 4, 2004, in the amount of \$18,000.

BACKGROUND INFORMATION: The event began in 1991 as a project of Lodi Events, Inc. Local residents that saw a need to provide a safe, fun, family environment for the Independence Day celebration comprised this organization. Lodi Events, Inc. was dissolved in 1993 and the event was turned over to the Lodi-Tokay Rotary Club. It has since become a key fundraiser of the Club. Each year, the Club raises nearly \$30,000 that is distributed to local non-profit organizations and a variety of worthy Rotary supported projects locally, regionally, nationally, and abroad. The Lodi-Tokay Rotary Club has retained the services of WhyteHouse Productions since taking responsibility for the event. Over 200 volunteers, represented by many local non-profit organizations, staff the event.

Revenue sources include sponsorships from local businesses, beverage sales, the Milk Carton Regatta and BBQ Cook-Off entries, a dinner barbecue, vendor sales, and the City of Lodi \$18,000 grant for fireworks (Exhibit A, page 2, paragraph C).

The Oooh Ahhh Festival is a community event that reaches out to children, teens, and their families by providing them with a wholesome, safe, incredibly fun, and low cost way to celebrate our nation's birthday. After twelve years, the event continues to improve and grow. This year, as suggested by the City Manager, the Lodi-Tokay Rotary has included in their budget (Exhibit B) reimbursement to the City for the cost of services provided.

FUNDING: 2003-2004 Community Promotions Budget

Vicky McAthie, Finance Director

Attachments

cc: Joanne Mounce, Event Chair
Dorean Rice, Event Co-chair
Richard Jones, Lodi-Tokay Rotary
JoEllen Flemmer, Lodi-Tokay Rotary

Janet L. Hamilton
Management Analyst

APPROVED: _____
H. Dixon Flynn, City Manager

AGREEMENT
USE OF LODI LAKE PARK BY LODI/TOKAY ROTARY CLUB
FOR THE FOURTH OF JULY 2004

PARTIES:

This agreement is made by and between the City of Lodi, a municipal corporation ("City") and Lodi/Tokay Rotary Club ("Club").

RECITALS:

The City is the owner of Lodi Lake Park, which is located on Turner Road in the City of Lodi. Club, for the purpose of coordinating and encouraging certain local events, is desirous of obtaining exclusive use of Lodi Lake Park on July 4, 2004 to stage the "oooH-AHHH Festival" and fireworks display.

NOW, THEREFORE, FOR VALUE RECEIVED, the parties hereto agree to abide by the terms of this writing.

TERMS AND CONDITIONS:

1. Premises: City grants to Club the exclusive right to use Lodi Lake Park for the purpose of putting on certain special events on July 4, 2004.
2. CLUB will perform setup on Thursday, July 3, 2004, between 8:00 a.m.-9:00 p.m. The events will begin at 7:00 a.m. and end at 10:00 p.m. on July 4, 2004. Cleanup will begin on July 5, 2004 from 8:00 a.m. to 12:00 p.m.
3. Consideration: In consideration for the use of said premises Club shall do the following:
 - A. Club will provide staffing, personnel, supplies, and material necessary to put on the events to take place July 4, 2004. Club shall have the right to charge reasonable admission fees to such park for the purposes of raising funds to defray the costs of putting on such events and for the benefit of various community non-profit organizations. Club shall determine appropriate admission charges subject to City approval.

B. Club shall furnish an accounting of all tickets sold and gross gate and other receipts received. This accounting shall be presented to the Parks and Recreation Department no later than the Friday immediately following the event described in this agreement.

C. For the purpose of putting on the Fourth of July fireworks display, City shall contribute \$18,000.00 to be applied to the purchase of the pyrotechnic fireworks display. Any additional costs which are required for the provision of such pyrotechnic fireworks display shall be borne by Club, but in no event shall the \$18,000.00 provided by City be used for any purpose other than the direct contracting for the provision of such pyrotechnic fireworks display.

4. Cleanliness upon surrender: It is understood that Club will return Lodi Lake Park in as good and clean condition as when received. Club shall remain liable for all further and additional costs of cleanup should said premises not be surrendered in a good and generally clean condition. It is further understood that Club will arrange for pickup and delivery of all dumpsters or trash containers necessary for the events and for emptying the City trash receptacles located on the premises after the events.

5. Concessions: It is understood that Club shall have the rights to all food concessions and to the dispensing and selling of beer and/or wine. [No hard liquor may be dispensed or sold]. It shall be the responsibility of Club to secure, in writing, all applicable State Alcohol Beverage Control (ABC) licenses and other clearances necessary. Club shall furnish proof of such compliance to City not later than twenty-four (24) hours prior to the holding of such event.

6. Security: It is agreed that the Club shall provide appropriate security personnel and shall be responsible for all costs of fencing Lodi Lake Park which is hereby required. City shall provide additional police security as deemed appropriate by City in its exclusive discretion.

7. Insurance\Hold Harmless: City shall, as owner of the property, be responsible to the extent provided by law for any damages arising from the condition of the property itself, or from the direct and active negligence of City's employees and officers. Club shall save, defend, indemnify and hold harmless City, its officers, agents or employees from all damages, costs or expenses which may arise because of damages or injury caused by Club, its officers, agents, members or employees during the course of its activities on said premises. Such indemnity shall include attorney's fees. Club is required to carry a policy of comprehensive general liability insurance in compliance with all provisions of the "Risk Transfer Requirements for Lease or Use of City of Lodi Facilities ", attached hereto as Exhibit A and incorporated herein by reference. Club shall furnish a certificate of insurance meeting the above-mentioned insurance requirements to the City on or before June 4, 2004.

8. Compliance With Local Ordinances: Club agrees to meet any and all traffic and security requirements as found in local codes or ordinances and to obtain all necessary permits, clearances and approvals from the City Police Chief, City Fire Marshall and any other applicable City, County or State officials prior to conducting any events or other activities on the premises.

9. Sanitation: Club agrees to provide all necessary sanitation facilities including port-a-pots at its sole and exclusive expense. All risk of loss or damage to any such facilities during the events shall lie or rest with Club.

10. Profits: All profits received from admissions charged to such events and/or the sale of food, beverages or merchandise shall be allocated as follows:

After all legitimate expenses for such events are paid, Club by way of its Board of Directors shall, in its sole discretion, distribute profits on the following basis:

- A. Local non-profit organizations or groups which have provided volunteers to staff the events described herein shall receive a share of the profits, to be determined by the number of volunteers each organization provided and the total hours worked;

- B. Although the Board of Directors shall have sole and exclusive discretion to determine the hourly\per capita rate, all non-profit organizations furnishing volunteers shall receive an equal rate;
- C. The Club shall reimburse the City for the cost of service provided as submitted in the attached budget proposal;
- D. After distribution of such profits to local non-profit organizations furnishing volunteers, any remaining profits shall go into the City's general fund.

11. Responsibility for Debts: Club shall be solely responsible for all costs associated with the events, and shall in no way pledge the credit of City for any goods, services or supplies used for the events described herein. Club shall not encumber nor hypothecate any City property as security for debts and shall defend and indemnify City for any and all claims by any supplier of goods, services or supplies for such events, or assignees thereunder.

12. Entire Agreement: This document contains the entire agreement between the parties. Any inconsistent prior or contemporaneous oral terms are void and shall not be used to modify or supplement this written agreement.

IN WITNESS WHEREOF, the parties hereto, being in agreement with the terms of this writing, have set their hands as follows:

CITY OF LODI, a municipal corporation:

LODI/TOKAY ROTARY CLUB:

By: _____
H. Dixon Flynn
City Manager

By: _____
Joanne Mounce
Chairperson

Attest:

Approved as to form:

Susan J. Blackston
City Clerk

D. Stephen Schwabauer
Interim City Attorney

4:29 PM
08/25/03
Cash Basis

Oooh Ahhh Festival
Profit & Loss Budget Overview
September 2003 through August 2004

<u>Sep '03 - Aug 04</u>	
Ordinary Income/Expense	
Income	
INCOME	
Bath Tub Regatta Sales	350.00
BBQ Cook-Off Sales	125.00
Booth Sales	5,970.00
Day of Event Revenue	60,000.00
Firecracker BBQ	3,200.00
Interest	113.56
Raffle	500.00
Sponsorship Sales	40,000.00
Total INCOME	<u>110,258.56</u>
*includes City grant	
Total Income	110,258.56
Expense	
EXPENSES	
Advertising	2,000.00
BBQ	750.00
City of Lodi Services	10,500.00
Consumables	4,900.00
Event Management	10,200.00
Event Supplies	1,550.00
Fireworks	20,000.00
Games & Rides	7,000.00
Meeting Expense	600.00
Merchandise Expense	800.00
Office Supplies	700.00
Performer	2,000.00
Permits	534.00
Rental	17,500.00
Security	500.00
Start Up Cash - Day of Event	3,500.00
Storage	360.00
Total EXPENSES	<u>83,394.00</u>
Total Expense	<u>83,394.00</u>
Net Ordinary Income	26,864.56
Other Income/Expense	
Other Expense	
DONATIONS	
Donations to Non Profits	8,000.00
Transfer to LTRC	10,000.00
Total DONATIONS	<u>18,000.00</u>

4:29 PM
08/25/03
Cash Basis

Oooh Ahhh Festival
Profit & Loss Budget Overview
September 2003 through August 2004

	<u>Sep '03 - Aug 04</u>
Total Other Expense	<u>18,000.00</u>
Net Other Income	<u>(18,000.00)</u>
Net Income	<u><u>8,864.56</u></u>

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Fireworks by
BOOM BOOM INCORPORATED

P.O. Box 1234, Hayfork, CA 96041 (530)628-4436 Fax (530)628-3023 Fed ID#90-0005978

FIREWORKS DISPLAY CONTRACT

Exhibit B

- (1) THIS CONTRACT AND AGREEMENT, for the display of fireworks made and concluded this 29th day of September, 2004, by and between FIREWORKS BY BOOM BOOM, INC. of Hayfork, California, hereinafter referred to as ("BOOM BOOM, INC.") and The Lodi Tokay Rotary Club, Lodi, California, hereinafter referred to as ("Sponsor").
- (2) WITNESSETH: For and in consideration of the mutual covenants herein contained and other valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the terms and conditions hereinafter mentioned, the parties to this contract do mutually and severally agree to perform their several and respective covenants and to guarantee the terms, conditions and payment of this contract.
- (3) Boom Boom, Inc. shall sell, furnish, and deliver unto said Sponsor One (1), Fireworks Display Program A (copy attached), to be exhibited in accordance with the programs set forth and agreed upon at the time of the signing of the contract, attached hereto and incorporated herein. Boom Boom, Inc. reserves the right to substitute products of equal or greater value if necessary to fulfill this contract.
- (4) Said display of fireworks is to be performed on the following date, July 4, 2004 provided the weather permits a display. If this display is to be computer choreographed to music supplied by the Sponsor, such music must be provided to Boom Boom, Inc. at least 90 (ninety) days in advance of the displays date. In the event music is not received by Boom Boom, Inc. at least 90 (ninety) days prior to the display date, in order to allow sufficient time for choreography, it is mutually understood and agreed to that Boom Boom, Inc., at it's sole discretion may produce the musical soundtrack with no approval required.
- (5) Sponsor shall pay Boom Boom, Inc. the following percentages of the contract price if Sponsor elects to cancel this display for any reason other than safety: (1) 20% if display is canceled a minimum of 2(two) days prior to the date of scheduled set up beginning and (2) 100% if cancellation occurs less than 48 hours in advance of the display date.
- (6) Cancellation for safety reasons: in the event Boom Boom, Inc., or the fire authority having jurisdiction, determines weather, security, fire hazards or fallout zone conditions make firing the fireworks unsafe on the date(s) set for the display(s), the parties of this Contract shall attempt to negotiate a new date within 120 days of the original display date. Sponsor agrees to pay all crew, transportation and accomodation expenses made necessary by such a postponement up to a maximum amount not to exceed 33% of this Proposals contract amount. If Sponsor declines to specify a reasonable new date Sponsor shall pay Boom Boom, Inc. the full contract amount less any amounts previously paid.
- (7) Boom Boom, Inc., shall furnish Sponsor one or more licensed pyrotechnicians to take charge of and fire the display(s) with sufficient assistants as required. Sponsor agrees to procure and furnish a suitable secured location for this display with access restricted to Boom Boom, Inc. personnel and public safety agencies only.
- (8) Sponsor shall indicate that Boom Boom, Inc. is the organization responsible for the exhibition of said fireworks when possible in all advertisements, billings, and public relations materials when referring to this display.
- (9) Sponsor shall assume the risk of weather or other causes beyond the control of Boom Boom, Inc. which may affect or damage such portion of the fireworks which must be placed in position and exposed a sufficient time before the scheduled firing of the display(s).
- (10) Sponsor shall furnish sufficient police, fire and security protection for Boom Boom, Inc. for the protection of its property and the firing of the exhibition without interference of the public. Sponsor agrees to keep the fallout area clear of the public and any vehicles during the entire set up, firing, and clean up of all equipment and any live firework debris of said display. Any residual paper or debris remaining are Sponsors responsibility to remove or cleanup. The operations of Boom Boom, Inc. are considered complete when the crew and equipment of Boom Boom, Inc. depart the site.
- (11) Sponsor shall furnish and set up a secured fallout area for the fireworks display pursuant to the instructions supplied by Boom Boom, Inc., and in compliance to all the rules, orders, and regulations of the National Fire Protection Association NFPA 1123 for outdoor fireworks displays (NFPA 1126 if the display is of the Special Effects type).
- (12) Sponsor shall furnish and provide suitable barges, tow craft, or scows, and personnel to handle the same, in the event display is to be fired on water (if the display is to be fired on towers or scaffolding sponsor shall also furnish same).

FIREWORKS BY BOOM BOOM INC.

(13) Prior to, during, and immediately after the display Sponsor shall be solely responsible to set up restraining lines for keeping all unauthorized persons and vehicles out of the fallout area and behind safety lines. Sponsor shall hold Boom Boom, Inc. harmless and indemnify Boom Boom, Inc. for any liability, including claims against insurance/bond, because of sponsors breach of this paragraph.

(14) In the event of fire, strikes, delay, National Emergency, flood, Acts of God, or other causes beyond the control of Boom Boom, Inc., which prevent the exhibition of said fireworks, the party with knowledge thereof shall immediately notify the other party and both parties hereto shall release each other from any and all claims thus resulting in the nonperformance of this contract. Such release shall include; (A) Boom Boom, Inc. return of all amounts received to date from Sponsor; (B) Sponsor and Boom Boom, Inc. each executing and delivering to the other a mutual general release.

(15) Regardless of the place of contracting, performance, or otherwise, it is hereby stipulated that this contract is to be construed and governed by the laws of California. Should any legal action be brought to enforce or interpret the terms or provisions of this contract, any court of competent jurisdiction located in the County of Trinity, California shall be proper venue for an action.

(16) The parties hereto do mutually and severally guarantee the terms, conditions, and payments of this contract and these provisions shall be binding on the parties and on their heirs, executors, administrators, successors and assigns.

(17) This contract shall not be construed to create a partnership between the parties or persons mentioned herein and neither party shall be responsible for any agreement not stated in this contract.

(18) This contract shall not be modified or rescinded except by written instrument signed by an authorized representative of Boom, Boom Inc. and Sponsor.

(19) Sponsor shall hold harmless and indemnify Boom Boom, Inc. against any and all liability to any person or persons arising out of the negligence of Sponsor in connection with the exhibition, and against any and all liability to any person or persons by any act or omission of Sponsor or any of its agents, servants, or employees. Boom, Boom Inc. shall hold Sponsor harmless from and indemnify sponsor against liability for damages arising out of the negligence of Boom Boom, Inc., its officers, employees and agents in the performance of its services provided pursuant to this contract.

(20) Boom Boom, Inc. agrees to furnish in connection with the display of said fireworks only, insurance for the following amounts: Bodily Injury, Personal Injury, Property Damage, and Products Liability 5 (five) Million Dollars and workman's compensation insurance 1 (one) Million Dollars. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A-VI.

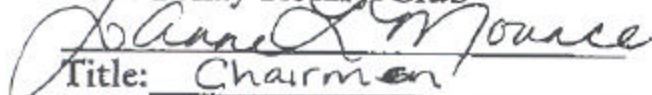
(21) Sponsor shall be responsible for any permit and or standby fireman fees as required by local fire authority having jurisdiction.

(22) In the event either party breaches this contract, the non-breaching party shall under no circumstances be entitled to recover monetary damages from the breaching party beyond the amount Sponsor agreed to pay Boom Boom, Inc. under this contract. Neither party shall be entitled to recover consequential damages from the other. Sponsor recognizes an industry accepted level of 3% of the product used in any display may not function and this level of non-performance is acceptable as full performance.


(23) Sponsor agrees to pay unto Boom Boom Inc. the sum of \$16,000.00 (sixteen thousand dollars) for the said fireworks display(s). Signed contract and deposit must be received in our office no later than 90 days prior to the date of the display for the contract to become fully executed. Payment shall be as follows: (1) 50% deposit with signing of contract, (2) payment of balance in full on the date of said display. This contract shall serve as final invoice for all services. Interest will be charged for any late payment at the rate of one and one half percent (1.5%) monthly commencing 10 days after date of display until final debt has been paid.

IN WITNESS HEREOF we set our hands and seals to this contract in duplicate this September 29, 2003.

Lodi Tokay Rotary Club


Title: Charman
Date: 04-07-04

Fireworks by Boom Boom, Inc.


Rachel Wolter, Administrative Manager
Date: September 29, 2003

Lodi Tokay Rotary Club
Profit & Loss Prev Year Comparison
September 2003 through August 2004

Exhibit C

Ordinary Income/Expense

Income

Bank Adjustment - Credit

INCOME

BBQ Cook-Off Sales

Beverage Sales

Booth Sales

Day of Event Revenue

Start Up Cash

Deposits

Firecracker BBQ

Interest

Regatta

Sponsorship Sales

Total INCOME

Sep '03 - Aug 04	Sep '02 - Aug 03	\$ Change	% Change	Comments
62.01	4.00	58.01	1,450.25%	Band Error
30.00	0.00	30.00	100.0%	Entry Fees (missing one)
406.50	289.00	117.50	40.66%	Sales to Chamber
3,765.00	4,880.00	-1,115.00	-22.85%	Vendors & Concessions
39,743.05	44,265.16	-4,522.11	-10.22%	Gate, Parking, Beverage - less SUC
1,600.00	3,500.00	-1,900.00	-54.29%	Start up cash
350.00	500.00	-150.00	-30.0%	Vendor deposits
3,166.00	2,162.50	1,003.50	46.41%	Dinner sales
14.75	30.39	-15.64	-51.46%	Bank interest
350.00	0.00	350.00	100.0%	Entry Fees
27,300.00	26,300.00	1,000.00	3.8%	Sponsors
76,787.31	81,931.05	-5,143.74	-6.28%	

Expense

EXPENSES

Advertising

Print

Radio

Total Advertising

Bank Charges

Battle of the Bands

BBQ Cook-Off

City of Lodi

Event Management

Event Supplies

Firecracker BBQ

Fireworks / Skydiving

Beverage

Games & Rides

Merchandise Expense

Office

1,092.00	860.00	232.00	26.98%	
1,066.25	1,103.00	-36.75	-3.33%	
2,158.25	1,963.00	195.25	9.95%	Event Advertsing
7.00	0.00	7.00	100.0%	Bank Charges
293.47	0.00	293.47	100.0%	Advertising, prizes, etc.
394.22	0.00	394.22	100.0%	Advertising, prizes, etc.
9,500.00	0.00	9,500.00	100.0%	City Services
10,200.00	10,300.00	-100.00	-0.97%	WhyteHouse Productions
320.85	129.67	191.18	147.44%	Supplies
465.21	566.39	-101.18	-17.86%	Food & Supplies for BBQ
19,650.00	16,000.00	3,650.00	22.81%	Fireworks & Skydiving Show
3,275.62	4,779.96	-1,504.34	-31.47%	Beverage & Ice Cost
6,500.00	8,200.00	-1,700.00	-20.73%	Kids Area
129.10	550.44	-421.34	-76.55%	For Information Booth

Lodi Tokay Rotary Club

Profit & Loss Prev Year Comparison

September 2003 through August 2004

	Sep '03 - Aug 04	Sep '02 - Aug 03	\$ Change	% Change	Comments
Postage	49.58	7.40	42.18	570.0%	
Printing	288.00	66.96	221.04	330.11%	
Supplies	0.00	34.86	-34.86	-100.0%	
Telephone	53.54	0.00	53.54	100.0%	
Total Office	391.12	109.22	281.90	258.1%	Office Supplies
Performer	1,700.00	1,650.00	50.00	3.03%	Entertainers
Permits	391.00	401.00	-10.00	-2.49%	\$141(EHD+ABC) + est \$250 for inspect
Refund	350.00	500.00	-150.00	-30.0%	Vendor Deposits
Regatta	1,026.08	0.00	1,026.08	100.0%	Advertising, prizes, web, etc.
Reimbursement	0.00	120.00	-120.00	-100.0%	
Rental	14,230.98	11,905.26	2,325.72	19.54%	Rental Equipment & Kids Train
Security	200.00	200.00	0.00	0.0%	Overnight Security
Start Up Cash	1,600.00	3,500.00	-1,900.00	-54.29%	Start up cash
Total EXPENSES	72,782.90	60,874.94	11,907.96	19.56%	
 Net Ordinary Income	 4,004.41	 21,056.11	 -17,051.70	 -80.98%	
 Other Income/Expense					
Other Expense					
DONATIONS					
WhyteHouse Productions Bonus	600.66				
Donations to Non Profits	7,000.00	7,200.00	-200.00	-2.78%	
Transfer to LTRC	10,000.00	14,470.00	-4,470.00	-30.89%	
Total DONATIONS	17,600.66	21,670.00	-4,069.34	-18.78%	
 Total Other Expense	 17,600.66	 21,670.00	 -4,069.34	 -18.78%	
 Net Other Income	 -17,600.66	 -21,670.00	 4,069.34	 -18.78%	
 Net Income	 -13,596.25	 -613.89	 -12,982.36	 2,114.77%	

LOSS

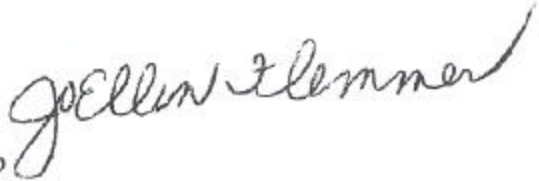
Exhibit D

VIA FAX – 209-333-6807

August 23, 2004

To: Ms. Janet Keeter
Interim City Manager – City of Lodi

From: JoEllen Flemmer
President – Lodi Tokay Rotary Club



Subject: OOOH AAAH FESTIVAL

Thank you very much for meeting recently with myself and representatives of the Lodi Tokay Rotary Club (LTRC).

As indicated in our conversation, our Board and membership has met and discussed our involvement in what we hope will be the continuation of the Festival and the annual 4th of July festivities at Lodi Lake.

By way of background, LTRC initially participated in this event more than 10 years ago. This involvement came about after the city experienced significant problems with rowdy behavior and crowd control. These actions by a few caused the city to consider canceling the event.

In an effort to salvage what had become a Lodi tradition, LTRC agreed to take over the event and began to build it into a fun filled family day culminating with spectacular fire works. This rebuilding has been successful due to close cooperation between the city, corporate sponsors, other non profit organizations and the LTRC.

For the past several years the event has become an important fund raiser for many groups in the community. To assist us in putting on the event, LTRC asks other non profit organizations for volunteer hours. After all receipts are counted and expenses tabulated, these non profit groups are "paid" for their work at the Festival. Examples of such organizations are: Boy Scouts, Lodi House, Salvation Army, Boys and Girls Club, Police Partners, Knights of Columbus etc. Presumably the monies earned by these groups are used to further their charitable efforts in the community.

After all other non profits have been compensated; only then does the LTRC take its portion of the profit. Like the other non profits, we, in turn, also use our "proceeds" to the benefit of the local community. In the past we have contributed to Lodi House, Boys and Girls Club, Adopt A Child, scholarships for high school seniors, Nichols School etc. Just this past year we donated considerable money and time to replant dozens of trees on city right of way along West Lane.

Most people in the community feel that LTRC involvement and sponsorship of the Festival is a "win – win" for all concerned.

This past year has brought a new twist to the Festival. Due to city budget considerations, LTRC is now being charged for "city services". We are faced with a reimbursement of almost \$10,000 for costs borne by the city. As indicated in our conversation, the payment of this amount would put the Festival in the red for the first time in its history. By the time we cover expenses and pay the other non profit groups who help make the event a success, there is nothing left for the LTRC to use for its charitable efforts in the community. We are faced with a budgetary shortfall this year.

Our prayer is simple. We will be asking the Council at the Sept. 1 meeting to forgive the amount owed the city. We will further ask that the Council give us 60 days to rebuild a new business plan for the Festival. Hopefully this plan will enable us to build a newer and better Festival for the community. This new Festival would be one in which we will be able to expand our revenues and shrink our expenses. This better Festival would be one in which all participants, including the city, could share in the revenue.

We will be happy to answer any questions you may have when we meet with the Council on Sept. 1.

Thank you very much for your courtesy and cooperation.

RESOLUTION NO. 2004-182

A RESOLUTION OF THE LODI CITY COUNCIL WAIVING
REIMBURSEMENT FROM LODI-TOKAY ROTARY FOR
OVERTIME COSTS INCURRED DURING THE OOOH
AHHH FESTIVAL, AND FURTHER APPROVING
SPECIAL ALLOCATION FROM THE FUND BALANCE
TO COVER UNBUDGETED OVERTIME COSTS

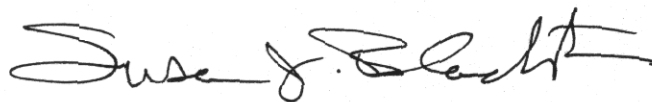
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby waive the \$10,500 Reimbursement from Lodi-Tokay Rotary for unbudgeted overtime costs incurred by the City during the Oooh Ahhh Festival; and

BE IT FURTHER RESOLVED that the City Council hereby approves a Special Allocation in the amount of \$10,500 from the Fund Balance to cover the unbudgeted overtime costs.

Dated: September 1, 2004

I hereby certify that Resolution No. 2004-182 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 1, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, and Mayor Hansen
NOES: COUNCIL MEMBERS – Howard
ABSENT: COUNCIL MEMBERS – Land
ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

filed 9-1-04

Rotary Tokay Rotary Club

Giving to Community and Regional
Charities through proceeds of the
Oooh Ahhh Festival annual
contribution \$25,000 Plus.

Student Scholarships * Lodi Boys and Girls Club *
Lodi Adopt-A-Child * Meadows Depot * Lodi House *
S.J. Historical Society & Museum * American Heart
Association * * Kid's Can't Wait * Lodi High School
Choir * T.R.E.C. * Lodi Special Olympics *
The Women's Center * Norman King Memorial (LUSD)
Science Camp * Kid's New Years Eve Celebration *
Lodi Memorial Hospital Foundation *
Diabetes Youth Foundation * Last Chance *
The Rotary International Foundation *
Lodi Chaplain Program * B.O.B.S. * Leroy Nichols
Science Camp * Wheelchair Foundation * Mary Graham
Hall * World Community Service * Riverbank Rotary *
Crime Stoppers * The Police Partners Program
* The Knights of Columbus
*Boy Scout Troops # 295 #266 #199 * Lodi Rotary Club
* Mexican American Lion's Club *
Lodi Parks and Recreation *
Lodi Public Library

RECEIVED

ITEM I-2

SEP - 1 2004

City Clerk
City of Lodi

Discussion submitted by Barbara McWilliams
RE: Oooh, Ahhhh Festival & the \$10,500 overtime expense.

I am sorry I will not be at the Council Meeting Wednesday night. In June I broke my foot. While I am mending, I find it is not practical for me to try to be in one place too long, and I am not comfortable moving around in night situations with lots of tree roots, etc. in the area!

I have been a member of the Lodi Sunrise Rotary Club for 14 years. This year I am the Assistant Governor for Area 1 which encompasses the three Lodi clubs and the two Galt Clubs. It is my job to help these clubs in any way I can as well as keep them connected to the District Governor of the District 5220. I feel passionate about the Rotarians I am working with and their commitment to help make the world a better place. It is with this pride and the intent of making our city a better place, that the Rotarians of the three Rotary clubs in Lodi work on local projects and make contributions to help our local charities help others.

I am well aware of the dismal financial situation our city faces. Many of our citizens are also facing tough economic times and have little money to venture out of our city for holiday weekends. Therefore, the local festivals and celebrations become very important. Having lived in Lodi almost all of my life, I remember the fun of going to Lodi Lake and seeing the fireworks. Now the fourth of July has been extended to a great all day affair by the Lodi Tokay Rotary Club.

Perhaps, in the kind of economic times we are presently experiencing, trying to hold such a Fundraising event as the Ohhh, Ahhh Festival is unrealistic. It was my understanding the Club took over the festivities from the city in order to expand it into a fun, family all day event. I would ask you to explore the idea that if the Lodi Tokay Rotary Club had not taken over the event, who would the city bill for the \$10,500 overtime expense? If the city takes the project back, they will still have these employee expenses. It was mentioned that the closure of Turner Road in front of Lodi Lake this year allowed people to stand in the street and watch the fireworks instead of paying to enter the park so they would have a good view.

I would also remind you to be aware of all the projects that ALL service clubs in Lodi (Rotary, Kiwanis, Lions and on and on) take part in for the City good. These volunteers are all working for the betterment of their City. The Rotary sponsored center at Lodi Lake, the Lions' Emerson Park, the new entrance to Lodi Lake, the Kiwanis corner (Church and Pine), the computer room at Loel Senior Center, trees planted on Hutchins Street south of Kettleman Lane (I understand many of these are dead-some question as to why?), special treats packaged for those receiving meals on wheels, bicycles given to youngsters at the Boys and Girls Club.....and on and on..... The fundraising is what gives the clubs the money needed to do these wonderful projects. The volunteering of all who contribute their time is in essence FREE but definitely has a sizable monetary value.

It is my hope that the Council will be able to find a solution to this devastating situation—one that will either forgive the debt or decrease it in some large degree. While you and the Rotary club all want the same thing—to do good things for your City—it seems that there is a compromise out there. I really do not know what it is, but hope that with your knowledge of the budget situation, you will find one.

Thank you for your consideration in reading this letter.